

1.9 *“the Expenses” means all reasonable costs charges and expenses (including interest on and other charges in respect of monies borrowed by the Rentcharge Owner to defray such expenditure) from time to time incurred by the Rentcharge Owner (whether incurred directly or by way of reimbursement) in carrying out all or any of the matters mentioned in the schedule PROVIDED that “Expenses” does not include the cost of the initial constructions of any Estate Roads or the cost of installation of new (as opposed to replacement) service media*

1.10 *“the Group Company” means a company that is a member of the same Group of the Rentcharge Owner within the meaning of Section 736 of the Companies Act 1985*

1.11 *“the Payment Dates” means 11th November and 11th May in each year or such other dates as the Rentcharge Owner may from time to time determine*

1.12 *“Service Charge” means in relation to each Accounting Period the Due Proportion of the Expenses plus the Sewerage Charge*

1.13 *“Sewerage Charge” means a reasonable charge determined by the Owner for the provision and operation of the private sewerage system on the Estate*

1.14 *“Transfer” means the transfer dated 19th December 2003 and made between (1) the Owner and (2) Morrish Builders*

2. *The Transferee will pay the Rentcharge Owner the Service Charge (and any provisional sum assessed on account of the same as provided for in paragraph 3 arising in respect of any relevant Accounting Period*

3. *The Transferee will on account of the Service Charge on the Payment Dates pay to the Rentcharge Owner a provisional sum of such amount as the Rentcharge Owner shall reasonably determine to be the estimated liability of the Transferee in respect of the relevant Accounting Period*

4. *The Transferee hereby covenants with the Owner and Rentcharge Owner that:*

4.1 *they will observe and perform the Estate Covenants*

4.2 *they will pay the reasonable costs and expenses in connection with the preparations and registration of this Deed*

5.

5.1 *The Accountant shall as soon as practicable after each Accounting Date prepare a certificate of the Expenses incurred by the Rentcharge Owner during the relevant Accounting Period ending on such Accounting Date and Certificate shall be signed by the Accountant who shall therein certify that it sets out a true and accurate account of the Expenses incurred during the relevant Accounting Period to which it relates*

5.2 *If there shall be a reserve fund the Certificate shall also contain a statement of the amount of the reserve fund at the commencement of the relevant Accounting Period the expenditure from such reserve fund during or in respect of the relevant Accounting Period and the sums to be included in the Expenses and intended to be set aside in the reserve fund*

5.3 *As soon as practicable after the signing of each Certificate the Rentcharge Owner shall serve upon the Transferee a statement showing:-*

5.3.1 *the Service Charge payable by the Transferee in respect of the relevant Accounting Period to which the Certificate relates*

5.3.2 *the provisional sum paid by the Transferee on account thereof*

DEED of COVENANT

ALLHALLOWS LIMITED and ROUSDON ESTATE MANAGEMENT LIMITED

5.3.3 *the amount if any by which the Service Charge for such relevant Accounting Period falls short of or exceeds such provisional sum*

5.4 *Within 14 days from the service of each statement issued under paragraph 5.3 above the Transferee shall pay to the Rentcharge Owner the amount determined in accordance with Paragraph 5.3.3 above and any excess shall be credited against the next quarterly payment*

5.5 *So far as permitted by law the Certificate shall be conclusive of the matters which it purports to certify and no validity or any part of the Certificate shall affect the validity of any other part of the Certificate*

6.

6.1 *The Rentcharge Owner shall fix the Due Proportion and shall be entitled by giving written notice to the Transferee to vary the Due Proportion from time to time as a consequence of any alteration in the arrangements for the provision of services therein or any other relevant circumstances*

6.2 *Any variation in the Due Proportion shall effect from such date as the Rentcharge Owner may specify in such written notice having regard to the date of occurrence of the reason for such variation*

7. *Subject to the due payment by the Transferee of the Rentcharge the Rentcharge Owner hereby covenants with the Transferee that the Rentcharge Owner will at all times hereafter:*

7.1 *Provide such grass cutting service to road verges and other such areas on the Estate as it may consider desirable*

7.2 *Provide such maintenance and/or management of woodland areas as it may from time to time consider necessary or desirable*

7.3 *Maintain the Estate Roads in reasonable repair and renew as necessary*

7.4 *Maintain the road which leads to the beach in reasonable repair and to keep open the footpath for such road to the beach*

7.5 *Maintain any boundary walls gates piers gates fences hedges and other boundary structures on the estate in reasonable repair (except to the extent that they are included in the Property or any property intended for beneficial occupation as determined by the Transferor or are otherwise the responsibility of an adjoining owner or third party)*

7.6 *Service maintain repair and renew as necessary the sewerage treatment plant on the Estate and all related drains pipes apparatus and equipment (excluding any such drains or pipes apparatus and equipment within the property or any other property intended for beneficial occupation)*

7.7 *Empty maintain repair and renew as necessary the septic tanks which serve the properties on the Estate (including if applicable the Property) and any related pipes (except any pipes on any such properties)*

PROVIDED ALWAYS THAT the Rentcharge Owner will not be liable for any temporary breakdown stoppage or suspension of services

8.

8.1 *Any dispute arising out of the provisions of this Deed shall be referred to the determination of an independent surveyor acting as an expert whose decision shall be final and binding on the parties and who shall*

have power to determine the proportions in which the costs of this determination shall be borne between the parties

8.2 The said Surveyor shall be appointed on the application of either party by or on behalf of the President for the time being of the Royal Institution of Chartered Surveyors

8.3 In the event of there being disputes between the Rentcharge Owner and any two or more transferees on the Estate with respect of the same Accounting Period the Rentcharge Owner shall be entitled to require all such disputes to be consolidated and referred to the same independent surveyor

9. The Transferee shall not be entitled to dispute or question the amount of any item in any Expenses on the ground that it could have been provided or performed at lower cost

10. No dispute or question in relation to the provisions of this Schedule shall:-

10.1 be valid unless made by the Transferee in written notice specifying the item or items disputed or questioned and served on the Rentcharge Owner within two months of the service of the Rentcharge Owner's statement for the relevant Accounting Period

10.2 Entitle the Transferee to withhold payment of the sum specified whether by way of provisional sum or as the Service Charge but if it shall be ascertained that the Transferee has made an overpayment in respect of the Service Charge for any relevant Accounting Period the Rentcharge Owner shall repay the amount of the overpayment to the Transferee within 28 days

11.

11.1 Where under the terms of this Deed any sum of money becomes due and payable by the Transferee to the Rentcharge Owner and remains unpaid for a period of 14 days the Transferee shall pay to the Rentcharge Owner as well before as after any judgement interest on such sum from the date on which the payment of such sum became due and payable until the date of actual payment at rate 4% above the base rate for lending for the time being of Barclays Bank Plc

11.2 If the Rentcharge or any part thereof shall be in arrears and unpaid for six days next after the same shall have been demanded or if the Transferee shall otherwise be in breach of its obligations under this Deed after being given notice of the breach and shall have failed to remedy within sixty days of notice thereof (or such other period as may be reasonable in the circumstances) it shall be lawful for the Owner or the Rentcharge Owner (without limitation to any statutory or other powers which the Owner or the Rentcharge Owner may from time to time have for enabling it to recover the complete payment of the Rentcharge) there-enter into and upon the Property and in the name of the Transferee to have repossesses and enjoy the same as if the transfer of the Property had never been made but without prejudice to any right of action or remedy which the Owner of the Rentcharge Owner may have in respect of any antecedent breach of any of the covenants and conditions relating to the Rentcharge PROVIDED ALWAYS THAT this power of re-entry shall not be exercised until the expiry of at least twenty-eight days written notice is given to any charge or mortgagee of the Property of whom the Owner and/or the Rentcharge Owner (as applicable) shall have given written notice in accordance with the provisions of this Deed

IN WITNESS whereof this instrument has been executed as a Deed on the date first before written

SCHEDULE

The Expenses shall (without limitation) include:

- 1. The cost of provision of the services covenanted to be provided by the Rentcharge Owner and any other services which the Rentcharge Owner may from time to time reasonable provide to the Estate or any part of it*
- 2. The fees of any managing agents employed in connection with the management of the Estate or where the Rentcharge Owner does not employ managing agents a reasonable and proper fee of not more than 12% of the Expenses plus any Value Added Tax payable thereon*
- 3. The cost of preparing and certifying the Certificate and any necessary estimates or accounts*
- 4. All other fees costs charges and expenses incurred by the Rentcharge Owner for the general upkeep maintenance benefit or improvement of the Estate or for the general benefit of the occupier thereof*
- 5. The cost of maintenance and insurance of the Estate Roads and other common or shared areas and roads and of the Transferee's and the Rentcharge Owner's public liability insurance in respect thereof*
- 6. The cost of maintenance of the track and footpaths which connect from the beach to the Estate Road*
- 7. The cost of any traffic management measures including signage*
- 8. If the Rentcharge Owner is a Management Company such reasonable and proper legal administrative or other expenses of the Rentcharge Owner as the Rentcharge Owner may determine*
- 9. The cost of lighting any roads footways and shared areas*
- 10. The cost of and incidental to compliance by the Rentcharge Owner with every notice regulation or order of any competent local or other authority*
- 11. The cost of procuring or providing any sums required in the creation or enlargement of a reserve or reserve funds for future expenses*
- 12. The cost of purchasing leasing or hiring any plant equipment or machinery used in connection with the carrying out of any of the matters contained in this Schedule*
- 13. The cost of removing and disposing of any refuse or abandoned objects from the Estate including the cost of any containers or receptacles provided by the Rentcharge Owner for that purpose*
- 14. All charges assessments and outgoings (if any) payable by the Rentcharge Owner in respect of the common parts of the Estate*
- 15. The cost of collecting the Rentcharge (including the cost of any legal action and advice in relation thereto) such other costs incurred by the Rentcharge Owner in enforcing the covenants and obligations of any owners of any part of the Estate*
- 16. Any other proper expenditure reasonably incurred by the Rentcharge Owner in respect of or incidental to the performance or exercise by the Rentcharge Owner of the obligations and powers imposed or conferred upon the Rentcharge Owner under the provisions of this Schedule*
- 17. Any Value Added Tax or other tax or charge properly payable by the Rentcharge Owner in respect of any of the matters hereinbefore mentioned*

EXECUTED as a DEED by)
ALLHALLOWS LIMITED)
and signed by two Directors or)
a Director and Secretary)

EXECUTED as a DEED by)
ROUSDON ESTATE)
MANAGEMENT LIMITED)
and signed by two Directors or)
a Director and Secretary)

EXECUTED as a DEED by)
The said)

In the presence of:

Name

Address.....

Occupation.....

Signature.....